



April 6, 2001

ENGROSSED HOUSE BILL No. 1851

DIGEST OF HB 1851 (Updated April 4, 2001 5:43 PM - DI 87)

Citations Affected: IC 5-10.

Synopsis: Group insurance for township employees. Provides that a township may elect to provide coverage for township employees under a group insurance program offered to county employees by the county in which the township is located. Specifies that a township employee covered under a county group insurance program and the township in which the employee is employed must pay the same total insurance premium that is charged for a county employee insured under the county group insurance program. Specifies that the township must pay any costs incurred by the county as a result of providing the county group insurance program to the township's employees.

Effective: January 1, 2002.

Brown C

(SENATE SPONSORS — MEEKS R, ROGERS, SMITH S)

January 17, 2001, read first time and referred to Committee on Local Government.
January 31, 2001, amended, reported — Do Pass.
February 8, 2001, read second time, amended, ordered engrossed.
February 9, 2001, engrossed.
February 12, 2001, read third time, passed. Yeas 80, nays 13.

SENATE ACTION

February 27, 2001, read first time and referred to Committee on Governmental and Regulatory Affairs.
April 5, 2001, reported favorably — Do Pass.

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April 6, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

ENGROSSED HOUSE BILL No. 1851

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-10-8-2.6 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 2.6. (a) This
3 section applies only to local unit public employers and their employees.
4 This section does not apply to public safety employees, surviving
5 spouses, and dependents covered by section 2.2 of this chapter.
6 (b) A public employer may provide programs of group insurance for
7 its employees and retired employees. The public employer may,
8 however, exclude part-time employees and persons who provide
9 services to the unit under contract from any group insurance coverage
10 that the public employer provides to the employer's full-time
11 employees. A public employer may provide programs of group
12 insurance under this section through ~~either or both~~ **any** of the following
13 methods:
14 (1) By purchasing policies of group insurance.
15 (2) By establishing self-insurance programs.
16 (3) **If the public employer is a township, by electing to join a**
17 **group insurance program offered to county employees by the**

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county in which the township is located.

However, the establishment of a self-insurance program is subject to the approval of the unit's fiscal body.

(c) A public employer may pay a part of the cost of group insurance, but shall pay a part of the cost of group life insurance for local employees. A public employer may pay, as supplemental wages, an amount equal to the deductible portion of group health insurance as long as payment of the supplemental wages will not result in the payment of the total cost of the insurance by the public employer.

(d) An insurance contract for local employees under this section may not be canceled by the public employer during the policy term of the contract.

(e) After June 30, 1986, a public employer shall provide a group health insurance program under subsection (g) to each retired employee:

(1) whose retirement date is:

(A) after May 31, 1986, for a retired employee who was a teacher (as defined in IC 20-6.1-1-8) for a school corporation; or

(B) after June 30, 1986, for a retired employee not covered by clause (A);

(2) who will have reached fifty-five (55) years of age on or before the employee's retirement date but who will not be eligible on that date for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.;

(3) who will have completed twenty (20) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which must have been completed immediately preceding the retirement date; and

(4) who will have completed at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee's retirement date.

(f) A group health insurance program required by subsection (e) must be equal in coverage to that offered active employees and must permit the retired employee to participate if the retired employee pays an amount equal to the total of the employer's and the employee's premiums for the group health insurance for an active employee and if the employee, within ninety (90) days after the employee's retirement date files a written request with the employer for insurance coverage. However, the employer may elect to pay any part of the retired employee's premiums.

(g) A retired employee's eligibility to continue insurance under

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subsection (e) ends when the employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or when the employer terminates the health insurance program. A retired employee who is eligible for insurance coverage under subsection (e) may elect to have the employee's spouse covered under the health insurance program at the time the employee retires. If a retired employee's spouse pays the amount the retired employee would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired employee. The surviving spouse's eligibility ends on the earliest of the following:

- (1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.
- (2) When the employer terminates the health insurance program.
- (3) Two (2) years after the date of the employee's death.
- (4) The date of the spouse's remarriage.

(h) This subsection does not apply to an employee who is entitled to group insurance coverage under IC 20-6.1-6-1(c). An employee who is on leave without pay is entitled to participate for ninety (90) days in any group health insurance program maintained by the public employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance. However, the employer may pay all or part of the employer's premium for the insurance.

(i) A public employer may provide group health insurance for retired employees or their spouses not covered by subsections (e) through (g) and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by subsections (e) through (g). A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h), and may continue to pay all or a part of the employer's premium for the insurance while the employee is on leave without pay.

(j) If a township elects to join a county group insurance program under subsection (b)(3) the township and each insured township employee shall pay, in a proportion determined by the township, the same total insurance premium that is charged for each insured county employee. In addition, the township shall pay any additional cost to the county as a result of providing the county group insurance program to the township employees. However, the county may elect to pay the public employer's share of the premium for the township employees.



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COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1851, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 39, after "employees," insert "**as well as any additional cost to the county as a result of providing the county group insurance program to the township employees,**".

and when so amended that said bill do pass.

(Reference is to HB 1851 as introduced.)

STEVENSON, Chair

Committee Vote: yeas 13, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1851 be amended to read as follows:

Page 3, line 35, delete ":".

Page 3, line 35, after "(b)(3)" insert **"the township and each insured township employee shall pay, in a proportion determined by the township, the same total insurance premium that is charged for each insured county employee. In addition, the township shall pay any additional cost to the county as a result of providing the county group insurance program to the township employees."**

Page 3, delete lines 36 through 42.

Page 4, line 1, delete **"employees."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1851 as printed February 1, 2001.)

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COMMITTEE REPORT

Mr. President: The Senate Committee on Governmental and Regulatory Affairs, to which was referred House Bill No. 1851, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to House Bill 1851 as reprinted February 9, 2001.)

MERRITT, Chairperson

Committee Vote: Yeas 9, Nays 0.

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